

263152

JPRS 81420

2 August 1982

Korean Affairs Report

No. 229

19980918 140



FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

7
46
A03

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

2 August 1982

KOREAN AFFAIRS REPORT

No. 229

CONTENTS

INTER-KOREAN AFFAIRS

DPRK Daily on Anti-U.S. Banner for Independence (Pyongyang Domestic Service, 3 Jul 82)	1
Bulgaria, Romania Mark Anti-U.S. Month (KCNA, 9 Jul 82).....	7
Foreign Organizations Demand U.S. Withdrawal (KCNA, 13 Jul 82)	9
U.S., Japan Visits by Yi Pom-Sok Criticized (KCNA, 13 Jul 82)	10
USSR Media Denounce S. Korean Official's U.S., Japan Tour (KCNA, 14 Jul 82)	12
'VRPR' Flays Trials of Kwangju, Pusan Arsonists (Voice of the Revolutionary Party for Reunification, 6 Jul 82) ...	14
CPRF Information Scores Chon's 'Treachery' (KCNA, 7 Jul 82)	16
Japanese Magazine Criticizes Chon Tu-Hwan (KCNA, 13 Jul 82)	17
Japan Rally Supports Reunification (KCNA, 13 Jul 82)	19
World Jurists Hit Human Rights Violation in S. Korea (KCNA, 12 Jul 82)	21
'KCNA' Reports Meeting in Japan Marking 4 July Anniversary (KCNA, 10 Jul 82)	24
'KCNA' Pro-Mindan Paper Supports Unification Via Confederation (KCNA, 9 Jul 82)	25

Briefs		
Buddhist Students Sentenced	26	
Kwangju Arsonist Sentenced	26	
'Guiltless People' Rounded Up	26	
SOUTH KOREA		
POLITICS AND GOVERNMENT		
DJP Seeks Equal Distribution of Power Among Party Officials (THE KOREA HERALD, 14 Jul 82)	27	
ECONOMY		
'YONHAP' Reviews International Payments Balance (YONHAP, 13 Jul 82)	28	
New Law Sought to Ban Overseas Flight of Funds (YONHAP, 9 Jul 82)	29	
Labor Productivity Increase Drops (YONHAP, 13 Jul 82)	30	
ROK to Freeze Oil Prices at Present Levels by 1983 (YONHAP, 13 Jul 82)	31	
Briefs		
Shipbuilders Seek Foreign Orders	32	
SOCIAL CONDITIONS		
Fifth Hearing of Trial of Pusan Arsonist Opens (THE KOREA TIMES, 13 Jul 82)	33	
Briefs		
Kangwon Students Sentenced	35	
GEOGRAPHY		
Rainfall Eases S. Korean Drought (YONHAP, 14 Jul 82)	36	
FOREIGN RELATIONS		
ROK Daily Appraises Yi-Sakurauchi Loan Talks (Choe Nam-hyon; THE KOREA HERALD, 7 Jul 82)	37	
Business Leaders Discuss Economic Ties With Africa (THE KOREA HERALD, 13 Jul 82)	39	
Briefs		
FKI Head Meets Malaysian Envoy	41	

INTER-KOREAN AFFAIRS

DPRK DAILY ON ANTI-U.S. BANNER FOR INDEPENDENCE

SK070838 Pyongyang Domestic Service in Korean 2330 GMT 3 Jul 82

[NODONG SINMUN 4 July editorial: "Let Us Vigorously Open Up the Road to National Salvation for Reunification Under the Anti-U.S. Banner for Independence"]

[TEXT] Ten years have elapsed since the 4 July north-south joint communique was published. On the day of the publication, the emotion we felt at the news of the announcement--still vivid in our memory--was one of absolute joy. Not simply because the state of isolation between the north and south was eased but because the people envisaged a new day of reunification dawning in the three principles for reunification of independence, grand national unity and peaceful reunification which was put forth by the great leader Comrade Kim Il-song--the lodestar of national reunification--and confirmed by the north and south on the basis of national reunification.

The three principles for reunification is a milestone of national reunification and national salvation which embodied the nation's supreme aspiration and national interests. It is also the nation's common program for reunification. If these principles were put into practice, our nation's division would have undoubtedly been halted and the reunified fatherland would have been filled with the people's joy and a new history of creation and construction.

Our country, however, is now covered by the dark clouds of permanent division. The reality is very grave. In retrospect, it was not because our people's aspiration for reunification was lukewarm or our people's efforts for reunification were not sufficient that our country remains divided. There is no comparison to the ardent hearts of the 50 million people of our country dedicated to reunification and national salvation.

How many patriotic South Korean revolutionaries and devoted students have shed their blood and sacrificed their noble lives on the road to national reunification!

With a strong desire for the reunification of our people, we have done everything possible to embody the three principles for reunification. Out of our aspiration for reunification, we sat with the South Korean side, ignoring the crime-infested past of the South Korean side, and repeatedly made rational and fair proposals to hasten national reunification and dissolve the state of

military confrontation between the north and south, ease tension, realize multilateral collaboration and exchanges and convene a conference for political negotiations attended by parties, factions and masses of all strata.

Even after the other party trampled on the items agreed on in the north-south joint communique and openly professed the fabrication of two Koreas as a policy, we have never ceased making efforts for reunification. Even at a time when political chaos repeatedly seized South Korea and power transitions were made, we still showed sincerity and generosity to the South Korean side by proposing to jointly open the road to reunification through collaboration and unity.

It was another clear expression of our sincere efforts for a solution to the question of the nation's reunification on the basis of three principles for reunification that the great leader Comrade Kim Il-song put forward in October 1980 the proposal to found the Democratic Confederal Republic of Koryo and the 10-point policy for a confederal state.

Despite all efforts made by our people, the question of our country's reunification has not been solved. Why? There is no fundamental cause obstructing our country's reunification among our people. Although there are different ideas, ideologies and different systems in the north and south, such differences are natural for a single country, and the differences can readily be overcome on the way to achieving the national cause of reunification.

The source of misfortune does not come from within our nation but from outside. The U.S. imperialists, who do not want the reunification of Korea, are the source of such misfortune. The developments of the past 10 years clearly show that the U.S. imperialists aggressors are responsible for overturning the 4 July north-south joint communique and the disruption of the north-south dialogue and the archvillains who blocked our nation's reunification.

The day the 4 July north-south joint communique was announced the U.S. State Department said that there was no plan to reduce U.S. troops stationed in South Korea even if the north and south hold dialogue and that the United States would continue the plan to modernize the South Korean armed forces. It also raved that the dialogue should be conducted on the basis of strength.

With such official attitudes publicly announced, the United States has replaced the independent principles for reunification with an aggressive occupation policy, the principles of grand national unity with a north-south confrontation policy and the principles of peaceful reunification with a war policy, thus fundamentally denying the principles agreed on in the north-south joint communique.

This shows that the United States has never been interested in the north-south joint communique, or dialogue, or Korea's reunification. This is why the U.S. imperialists have instigated the South Korean puppets to refuse all our proposals, including the proposal for north-south collaboration, and oppose any practical measures for reunification, while attempting to delay the dialogue.

While paying lip service to dialogue, the U.S. imperialists actually were bent on splitting our country forever.

Though it was announced by the puppets, the splittist 23 June declaration centered on a simultaneous UN admission by the north and south was written by the U.S. imperialists. As soon as this splittist declaration was announced, the U.S. leaders supported it before all others. It was not by accident that they said the only way to contribute to the interest of South Korea was to legalize division.

The reason the U.S. imperialists have persistently blocked our country's reunification is because they want to pursue their aggressive goal of keeping South Korea as their colony by fabricating two Koreas at any cost.

The great leader Comrade Kim Il-song has taught: The U.S. imperialists, after occupying South Korea militarily, have turned South Korea into their colony and military base.

South Korea is a U.S. colony in which everything is controlled in conformity with aggressive demands and in the interest of the United States. The actual rulers of South Korea are the U.S. imperialists.

The South Korean regime, set up by the U.S. imperialists to make it appear independent, is nothing but a tool executing the U.S. imperialists' colonial policy. South Korea has been under U.S. imperialists' military occupation for the past 37 years, and the prerogatives of military command are in the hands of the U.S. imperialists. South Korea, which is occupied by alien imperialist troops of aggression, can never be an independent country. It is clear to everyone that the South Korean regime, which cannot even exercise the prerogatives of military command, is nothing but a puppet regime.

U.S. newspapers say U.S. policy planners on South Korea believe that the United States and South Korea do not have equal relations but subordinate relations, adding that they treat the Republic of Korea like a paper government.

Former U.S. Ambassador to South Korea Gleysteen also openly said that there can be no substantial equality between the two countries in all relations. All these facts show that South Korea is not an independent nation but a colony to the United States. To make South Korea a permanent colony, the U.S. imperialists have never hesitated to oppose the reunification of our country, or to force the South Korean people and our nation to sacrifice. Thousands and thousands of South Korean people who rose in resistance for national independence and democracy, including the Seoul and Taegu citizens, Chejudo residents, workers at the Hwasun Coal Mine, peasants on Hawido Island, and soldiers in Yosu and Sunchon, have been ruthlessly sacrificed at the bayonets of U.S. military rule.

Whenever struggles for national reunification and democracy surfaced in South Korea, the U.S. imperialists responded with a brutal fascist system, the object of the South Korean people's hatred and curse, and strangled democracy by using various stooges.

Following liberation from the Japanese imperialists, the United States established a police system to be headed by Syngman Rhee in an effort to obliterate the mass struggle of the South Korean people who opposed military rule and demanded freedom and democracy. It was the United States which instigated the military gangster Pak Chong-hui to launch the 16 May coup d'etat and have him establish the notorious Yasin system to suppress the South Korean people's reunification movement which spread like wildfire following the 19 April uprising. It was also the United States which instigated a murderer like Chon Tu-hwan to fabricate the 12 December coup d'etat and have him establish a more vicious fascist military system than the Yusin system at a time when the spirit aspiring for democracy was rapidly spreading throughout the nation following Pak Chong-hui's death.

How much blood have the South Korean people shed under the cruel fascist colonial rule implemented by the U.S. imperialists by dragging out every fascist element by turns!

The U.S. imperialists have been unscrupulous about methods, paying no heed to the reasons and even to their faces, for implementing the colonial rule in South Korea. While raving about democracy and human rights, they did not hesitate to kidnap from Japan in broad daylight democratic figure Kin Tae-chung, who raised the slogans for peaceful reunification and democracy and who was broadly supported by the masses.

Following this, the bestial U.S. imperialists massacred at random several thousand Kwangju uprisers by mobilizing the heavily armed puppet army and immersed all of Kwangju in a sea of blood of our fellow countrymen, thus committing barbarous crimes.

The U.S. imperialists are devils. Indeed, the history of the U.S. imperialists' occupation of South Korea is one of bloody aggression, of trampling underfoot our people's desires and interests in order to implement their colonial rule and of causing intolerable disasters for our people. This is a history of most vicious and cursed crimes, revealing to the world the filthy nature of the cunning and wicked modern imperialists.

The cruel and rude aggressors who caused the miserable disasters for the South Korean people are recklessly running amok to reduce all of Korea to a land of destruction and massacre by wielding even nuclear weapons.

Today South Korea has turned into a large nuclear base for the U.S. imperialists' strategy in the Far East. Tension in our country is being increased with each passing day.

As all facts show, the U.S. imperialists' occupation of South Korea and their colonial rule can by no means be consistent with our national interests. All disasters our people are suffering have been brought about by the U.S. imperialists. If there were no aggressive forces of the U.S. imperialists in South Korea, neither misunderstanding and distrust nor antagonism and confrontation would have taken place between the north and south and our nation would not have become a source of dangerous nuclear war.

As long as the aggressive forces of the U.S. imperialists remain in South Korea, neither democratization of South Korean society nor the nation's peace and independent reunification can be achieved. Nor can the national problems be resolved.

This is a summation of and lesson from the arduous struggle waged for the last 37 years by the North and South Korean people for the fatherland's independent reunification and for democratization of South Korean society.

We should draw this lesson so that we can resolve the cause of the fatherland's reunification in accord with the interest and demand of our people. We should have, first of all, the U.S. imperialists withdraw from South Korea, and we should put an end to their interference in the domestic affairs of our nation.

We have the plan of founding the Democratic Confederal Republic of Koryo [DCRK] which is a most realistic and reasonable national salvation program with which we can reunify the fatherland independently and peacefully based on the principle of grand national unity.

The proposal for founding the DCRK put forward by the great leader Comrade Kim Il-song embodied the lofty ideas and principles contained in the 4 July north-south joint communique and fully reflected the concrete reality of our nation with different ideologies and systems between the north and south.

When the U.S. imperialists withdraw from South Korea and their interference in the domestic affairs of our nation is brought to an end, our people can achieve the historic cause of the fatherland's reunification by founding an independent, neutral, democratic and peaceful confederal state.

The U.S. imperialists rave that if they withdraw an uproar will ensue on the Korean Peninsula. However, this is brigandish sophistry. Neither will an uproar be raised in our country nor will the Korean people face disaster if the U.S. imperialists withdraw.

The absence of the U.S. imperialist aggressor forces in South Korea is good for our people desiring reunification, good for peaceloving people of the world and good for the people of the United States.

The U.S. imperialists should not miscalculate that the South Korean people will endure forever the fate of colonial slaves. They should give up the foolish idea that the Korean people will accept two koreas, abandoning the cause for the fatherland's reunification.

This is an era of independence in which hundreds of millions of people of the world who used to be oppressed and maltreated have become the masters of their destinies and taken the road of creating a new life.

Today the current of independence is sweeping the world. In South Korea, which has been oppressed for a long period of time, the current of independence is vigorously flowing. In Pusan and Kwangju, in Seoul and Chunchon, and in many other areas of South Korea, voices of rage are rising, demanding "Yankee, go

"home"! Fires were set at the U.S. cultural centers and the stars and stripes was burned. Thus, the furious flames against the United States and for national salvation are rising.

The South Korean people's will end the colonial rule of the U.S. imperialists and to live an independent life is strong. The U.S. imperialists must squarely look at the firm will of our people who value man's dignity and the sovereignty of the nation more than their lives. They must immediately withdraw all their aggressive armed forces from South Korea and stop interference in the internal affairs of our country.

To put an end to the U.S. imperialist policy of aggression and interference, the hands and feet of their stooges must be mutilated. The South Korean puppets' flunkeyist, nation-selling acts of rendering the land of South Korea as a colony of the U.S. imperialists and making the country a tribute to foreign forces should never be allowed and the Chon Tu-hwan ring, which goes against the compatriots and depends on foreign forces for its future, must be eliminated.

The present situation in which the sovereignty of the nation is being trampled on in South Korea and the dark cloud of permanent division darkens the nation calls for the nation to turn out to more vigorously wage the anti-U.S. national salvation struggle. The sovereignty of the nation which has been deprived of by the imperialist aggressors can be recovered only through struggle.

If one truly loves the nation and desires reunification of the fatherland, he should, first of all, demand the withdrawal of U.S. troops and struggle to repel the aggressive forces of the U.S. imperialists. The anti-U.S. independence banner is a banner of true patriotism which the entire Korean people must uphold. This is the way to democracy, reunification and the prosperity of the nation.

In the north and south and in foreign countries, all must be firmly united under the banner of anti-U.S. independence and wage an unyielding struggle under the banner.

Our people's struggle for the reunification of the fatherland is linked with the world people's struggle for independence.

We express the firm belief that the world's peace-loving people will continue to denounce the U.S. imperialists' occupation of South Korea and their schemes for two Koreas and will more firmly wage the international anti-U.S. joint struggle to repel the U.S. imperialist aggressive forces from South Korea.

Korea is one, and the nation of Korea is one. Nothing can block the trend of this era seeking independence. By the same token, nothing can block our people's advance to establish in the fatherland an independent new society without foreign forces and traitors and a reunified independent Korea.

Our people, moving forward under the wise leadership of the great leader Comrade Kim Il-song and the guidance of the glorious party center, will certainly achieve the historic cause of the reunification of the fatherland under the anti-U.S. banner for independence.

INTER-KOREAN AFFAIRS

BULGARIA, ROMANIA MARK ANTI-U.S. MONTH

SK090834 Pyongyang KCNA in English 0802 GMT 9 Jul 82

[Text] Pyongyang, 9 July (KCNA)--Meetings were recently held in socialist countries on the occasion of the month of anti-U.S. joint struggle, according to reports.

A meeting took place at the Sofia Hall of Culture under the co-sponsorship of the National Council of the Bulgarian Fatherland Front, the Central Council of Trade Unions, the Sofia City Committee of the Bulgarian Communist Party, the Sofia City Committee of Dimitrov Young Communist League, the National Peace Committee, the Committee for Solidarity with the Peoples of Asia and Africa and the Bulgaria-Korea Friendship Association.

Meetings of solidarity with the Korean people were also held at the Bucharest Chemical Equipment and Machine Factory under the co-sponsorship of the Bucharest City Committee of the Romanian Communist Party and the Romania-Korea Friendship Association and in local cities of Poland and at a machine plant in Nagykanizsa, Zala, Hungary.

The meeting held in Bulgaria was attended by Misho Mishev, secretary of the Central Committee of the Bulgarian Communist Party; Slavcho Trunsky, member of the Party Central Committee and chairman of the Bulgarian Committee for Solidarity with the Peoples of Asia and Africa; Demir Borachev, member of the Party Central Committee, vice-chairman of the National Council of the Fatherland Front and chairman of the Bulgaria-Korea Friendship Association; Marin Yотов, vice-minister of foreign affairs; and R. Vassileva, alternate member of the Party Central Committee, first vice-minister of light industry and vice-chairman of the Bulgaria-Korea Friendship Association; and others.

Speaking at the meeting, the first vice-minister of light industry recalled that Comrade Todor Zhivkov declared in his report to the 12th congress of the Bulgarian Communist Party that Bulgaria would support as ever the Korean peoples' struggle for reunifying the country peacefully on a democratic basis without outside interference.

The meeting held in Romania was addressed by the director of the Bucharest Chemical Equipment and Machine Factory, he said:

The Romanian Communist Party and socialist Romania actively support Comrade Kim Il-song's new proposal for achieving the independent and peaceful reunification of the country by means of founding the Democratic Confederal Republic of Koryo.

They also strongly oppose the "two Koreas" plot of the imperialists and the Seoul authorities and demand the immediate withdrawal of all foreign troops and military equipment including nuclear weapons from South Korea and the replacement of the armistice agreement with a peace agreement, he stressed.

CSO: 4120/338

INTER-KOREAN AFFAIRS

FOREIGN ORGANIZATIONS DEMAND U.S. WITHDRAWAL

SK130915 Pyongyang KCNA in English 0812 GMT 13 Jul 82

[Text] Pyongyang, 13 July (KCNA)--Public organisations of Cuba, Switzerland, Peru, Nepal and Jordan in their statements published on the occasion of the month of anti-U.S. joint struggle, strongly demanded the immediate withdrawal of the U.S. imperialist aggression troops from South Korea, according to reports.

The Cuban movement for peace and sovereignty among the people in its statement on 24 June denounced the crimes of the U.S. imperialists and the South Korean puppets who are constantly stepping up their aggressive manoeuvres against the northern half of the republic, seeking a permanent division of Korea, and expressed support to the Korean people in their struggle for the independent and peaceful reunification of the country.

The Swiss peace movement in a statement dated 25 June stressed that, as long as South Korea remains under the occupation of U.S. troops, the democratisation of the South Korean society and the peaceful reunification of Korea are impossible. It demanded that the United States discontinue its interference in the internal affairs of Korea and withdraw its troops from South Korea.

The Committee for the Reunification of Korea in Peru in a statement 25 June sternly denounced the shameless new war provocation manoeuvres of the U.S. imperialists and the South Korean puppets against the Korean people. It stressed that their "two Koreas" plot and new war provocation manoeuvres must be stopped at once and the U.S. imperialist aggression forces be withdrawn from South Korea immediately.

The Nepal Afro-Asian Peoples Solidarity Committee in its statement 27 June extended positive support to the proposal for founding the Democratic Confederal Republic of Koryo and the ten-point policy of the unified state put forward by his excellency President Kim Il-song.

The Jordanian Peace and Solidarity Committee in a statement 5 July called upon all the peace-loving forces of the world to extend support and solidarity of various forms to the Korean people in their struggle for the accomplishment of the just cause of national reunification on the occasion of the world-wide month of solidarity with the friendly Korean people.

CSO: 4120/338

INTER-KOREAN AFFAIRS

U.S., JAPAN VISITS BY YI POM-SOK CRITICIZED

SK130940 Pyongyang KCNA in English 0819 GMT 13 Jul 82

[Text] Pyongyang, 13 July (KCNA)--Minju Choson today comments on South Korean puppet foreign minister Yi Pom-sok's tour of the United States and Japan.

In a signed commentary titled "Disgraceful Mendicant Trip" the paper says:

The puppet foreign minister's tour of the United States and Japan was arranged by the Chon Tu-hwan clique in a bid to bring under control its present political and economic crisis at any cost with the backing of the master after repeatedly staging a "cabinet breakup" to deliver the South Korean economy from a great chaos caused by its large-scale loan scandal.

Accordingly, the puppet foreign minister was treated in the United States not as a guest but as a puppet.

Though Yi Pom-sok visited the United States nominally in the capacity of "foreign minister," he was received by no official with real power. He met at best with the "vice-president," "deputy secretary," "acting secretary of state" and the like and begged for "promised protection" and "aid" only to show once again that South Korea is a colony maintained with the U.S. imperialists' dollar and bayonet and the South Korean "regime" is a puppet regime which cannot exist even a single day without the backing of the master.

The South Korean puppets made a begging trip to Japan, too.

On his way home from the United States the puppet foreign minister dropped in Japan and entreated the Japanese ruling quarters to give "loans" amounting to thousands of millions of dollars in the five years to come under the name of "security cooperation."

The South Korean puppets begging for "aid" is aimed to induce a huge amount of "loans" and step up war preparations against the DPRK, patch up the punctured South Korean economy, consolidate the foothold of the reactionary rule and thereby realise their wild ambition for long-term office.

In a nutshell, the puppet foreign minister's tour of the United States and Japan fully showed the sorry sight of the Chon Tu-hwan clique floundering in a

quandary within and without and the disgraceful behavior of the puppets trying to find a way out in clinging to the coattails of the masters.

Though the Chon Tu-hwan clique is trying to bridge over the present crisis and realize its dirty ambition for long-term office with the "aid" and "protection" of the U.S. and Japanese masters, it is a foolish attempt.

CSO: 4120/338

INTER-KOREAN AFFAIRS

USSR MEDIA DENOUNCE S. KOREAN OFFICIAL'S U.S., JAPAN TOUR

SK141055 Pyongyang KCNA in English 1031 GMT 14 Jul 82

[Text] Moscow, 13 July (KCNA)--Soviet papers carried articles denouncing the South Korean puppet foreign minister's tour of the United States and Japan.

PRAVDA 12 July in a commentary titled "Indirect Contribution" recalls that the Japanese foreign minister and the South Korean "foreign minister" held "talks" in Tokyo on the financial aid of Japan to the South Korean "government." In this dealing which began long ago, South Korea persistently requests concession on the part of Japan, feeling private support of the United States.

The paper further says:

The Japanese taxpayers will have to bear the expenses for the maintenance of the U.S. troops not only in their territory but also in South Korea for so-called "allied solidarity."

Particularly, there must be an indirect contribution of Japan to Pentagon's global strategy here.

Earlier, IZVESTIYA in a commentary 8 July said: The South Korean "foreign minister" had, no doubt, received an instruction from Washington to well propitiate the Japanese participants at the "talks" for a "loan" to the tune of several billion dollars.

The South Korean puppet clique request such large financial support of Japan, because the United States bent on keeping South Korea as the foremost military base in the Far East is standing behind them. The paper notes, and stresses:

Now the U.S. administration is bringing a strong pressure to bear upon Japan to inveigle its Japanese ally into rapidly arming South Korea.

One may guess that the United States is seeking to kill two birds with one stone--to reinforce the military potentialities of the Seoul puppets by emptying others' national treasury and, at the same time, economically weaken its Japanese "ally" who is coming out in a more stiff competition with the United States in international trade.

The key to the long-pending bargaining between Japan and South Korea is held in the hand of the "guardian" of the South Korean "regime" and the South Korean "foreign minister" is nothing but a toy acting at his beck and call, says the paper.

CSO: 4120/338

INTER-KOREAN AFFAIRS

'VRPR' FLAYS TRIALS OF KWANGJU, PUSAN ARSONISTS

SK060820 (clandestine) Voice of the Revolutionary Party for Reunification in
Korean to South Korea 0300 GMT 6 Jul 82

[Station commentary]

[Text] As reported, at a session of the murderous trial held on 5 July, the criminal court of Seoul District handed down a 5-year, 6-month sentence to Chong Sun-chol, who was arrested and indicted in connection with the arson at the Kwangju U.S. Cultural Center. The court also handed down prison terms for Pak Kye-tong, who was arrested in connection with a demonstration of Korea University students in 1980, and (Chong Chun-mu), who provided shelter to Pak.

Meanwhile, on 5 July at the Pusan District Court the 4th session of the trials of those involved in the arson at the Pusan U.S. Cultural Center was held. At the session, the prosecution questioned 16 of those patriots, including Priest Choe Ki-sik, earlier on 2 July, the Seoul District Criminal Court sentenced 3 to 5-year prison terms for 3 students, including Kim Ho-song, who were arrested in connection with the so-called Buddhist incident.

At the murderous trials being held daily, the Chon Tu-hwan ring is beastially penalizing the patriotic youths, students and people. This is an intolerable challenge to our masses seeking independence, democracy and reunification. As for those who have been penalized or put to trial, they are all patriots who have been engaged in just activities for the unanimous desire of our masses struggling against the United States and for independence and the democratization of society.

As is known, Chong Sun-chol set fire to the Kwangju U.S. Cultural Center in December 1980 with accumulated indignation and animosity against the U.S. aggressors who instigated traitor Chon Tu-hwan--the butcher of the nation--to commit the Kwangju massacre. As for those patriotic youths and students, they set fire to the Pusan U.S. Cultural Center--the U.S. organization of ideological and cultural invasion--and disseminated leaflets demanding "the U.S. troops, withdraw from South Korea" and "the United States, stop using South Korea as a tributary and withdraw from there."

Three of those students, forming a circle among Buddhists in early 1980, engaged in consciousness-raising work for workers and peasants to encourage them

to the antifascist democratization struggle. Therefore, they all have done what they should do. Thus, they must be praised by the people. They are by no means guilty.

Nevertheless, by continuing the trials, the Chon Tu-hwan ring is ruthlessly penalizing numerous patriotic youths and students, including Chon Sun-chol, religious people and other patriotic masses. This is a traitorous act which can never be tolerated.

The outrageous Chon Tu-hwan ring's fascist suppression is to thwart the growing anti-U.S. sentiment of the people and to quench their desire for independence and shore up the shaky fascist ruling system.

However, fascist oppression is not everything. The more the oppression will be intensified, the more the people's desire for independence and their anti-U.S. and anti-government struggle will grow.

This was well proved by the anti-U.S. independence moves which have been growing among our masses since the Kwangju incident and, in particular, since the arson at the U.S. Cultural Center.

No fascist oppression can thwart the firm will of our masses struggling to repel the aggressors, to recover the sovereignty of the nation and to achieve reunification. In any fascist oppression, youths and students and patriotic people of all strata will never stop the sacred national salvation struggle to oppose the United States and achieve independence.

The Chon Tu-hwan ring must squarely look at the trend of times and immediately stop the criminal fascist oppression. Without condition, it must immediately release those youths and students who have been recently penalized and other patriots and prisoners of conscience and step down from power at once--in accordance with the unanimous demand of our masses.

CSO: 4108/182

INTER-KOREAN AFFAIRS

CPRF INFORMATION SCORES CHON'S 'TREACHERY'

SK070446 Pyongyang KCNA in English 0424 GMT 7 Jul 82

[Text] Pyongyang, 7 July (KCNA)--The Chon Tu-hwan clique of traitors sent a "delegation" to the United States some time ago to make it "lay a wreath" before the grave of Arthur who was U.S. President at the time of the conclusion of the so-called "Korea-U.S. treaty" 100 odd years ago.

In denunciation of this disgraceful act, the secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] on 6 July made public information No 223. The information says:

This despicable treachery can be conceived only by the group of Chon Tu-hwan, a stooge of the U.S. imperialists, who is imbued with the U.S.-worshipping flunkeyist idea to the marrow. The South Korean puppets held "celebrations" distorting the history of the U.S. imperialists' aggression on Korea, and not content with this, they went to the United States across the ocean and conducted without hesitation the disgraceful behavior of making a bow before the spirit of the aggressor.

This is an intolerable insult to the patriotic martyrs who shed their blood in the struggle against the foreign aggressors and a vicious challenge to the South Korean patriotic people and students who are waging an undaunted struggle, holding high the torch of anti-U.S. national salvation.

As the whole world unanimously denounces them on the occasion of the "June 25-July 27 month of Anti-U.S. joint struggle," the U.S. imperialists are the most shameless of aggressors and plunderers of the Korean people's inveterate enemy who has invaded our country for over 100 years.

They have illegally occupied South Korea for nearly 40 years to realise their invariable aggressive ambition, barring the democratic development of South Korean society and the independent and peaceful reunification of our country. History and people have never pardoned the aggressors and quislings.

The South Korean people who are struggling under the uplifted banner of chajusong (independence) against U.S. imperialism will surely drive out the U.S. imperialist aggressors, the uninvited guests, liquidate their colonial rule and overthrow the Chon Tu-hwan puppet clique.

CSO: 4120/338

INTER-KOREAN AFFAIRS

JAPANESE MAGAZINE CRITICIZES CHON TU-HWAN

SK131955 Pyongyang KCNA in English 1013 GMT 13 Jul 82

[Text] Pyongyang, 13 July (KCNA)--The July issue of the politico-theoretical magazine SEKAI published in Japan carried an article exposing the military fascist nature of the Chon Tu-hwan puppet regime.

That the soldiers rule society in South Korea does not mean that they hold only political power, the magazine says, and continues:

The "generals" transferred to the first reserve are posted either at important posts in the "government" or at the directors' posts of "state"-run enterprises.

Not being economists, they are more interested in money-making and pleasure-seeking than in work at those posts.

The quarters in power increase their violence, taking the people as their "enemy," for the maintenance of their position. There can be no solution through agreement with people there.

The magazine continues:

Only violent scenes are seen on the surface.

Those at upper seats profess "legality" while their inferiors go lollicking with drinking bouts and murdering people. In the Kwangju incident, the former issued the order and the latter joined hands as their tools. This is the Chon Tu-hwan system.

Having power all to themselves, they multiply its "strength" now.

Noting that it is the physiology of the puppet military to commit whatever brazen acts without compunction utterly beyond common sense, the magazine continues:

It is the common idea of the intellectuals that the United States is the biggest strength that makes this possible.

Such outrage is made possible by the colonial rule of the United States.

This bars the course of an independent nation.

But the power of the Chon Tu-hwan group born of blood will meet its end,
covered all over with blood.

CSO: 4120/338

INTER-KOREAN AFFAIRS

JAPAN RALLY SUPPORTS REUNIFICATION

SK130909 Pyongyang KCNA in English 0806 GMT 13 Jul 82

[Text] Tokyo, 11 July (KNS-KCNA)--Conferences of representatives of Tokyo metropolis, Hokkaido and prefecturs for support to Korean reunification were held in Tokyo and Osaka under the sponsorship of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea.

The conference held in Tokyo on 9 July was attended by representatives of various solidarity organisations including Hiroshi Wakabayashi and Yoshihisa Majitani, representative members of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, and Akira Iwai, its general secretary.

The conference took up, among other things, the question of convening "a joint national rally for interchange among Tokyo metropolis, Hokkaido and prefecturs for support to the reunification of Korea" (tentative name) this year, and heard reports from representatives.

A statement was adopted at the conference.

Noting that the chief obstacle to the reunification of Korea is the presence of the U.S. forces in South Korea and the neo-colonial aggression of the United States on South Korea, the statement says:

The "study of the case of emergency in the Far East" now under way between Japan and the United States is a war preparation under imaginary conditions of "emergency" in Korea. It is, needless to say, for reinforcing the Japan-U.S.-South Korea military integration.

We should rally people of broad strata to support the struggle of the Korean people for the reunification of the country and thwart the war preparations of the Japanese Government.

The statement manifests full support to the proposal for founding the Democratic Confederal Republic of Koryo put forward by the great leader Comrade Kim Il-song at the Sixth Congress of the Workers Party of Korea.

It also denounces the Japanese Government's scheme to render new "aid" to the South Korean puppet clique.

It strongly demands the Japanese Government to promptly give up its unfriendly attitude towards the DPRK.

It, in conclusion, expresses support to the grand march of Koreans in Japan for national reunification and lays stress on further strengthening the movement for solidarity with the Korean people.

CSO: 4120/338

INTER-KOREAN AFFAIRS

WORLD JURISTS HIT HUMAN RIGHTS VIOLATION IN S. KOREA

SK120442 Pyongyang KCNA in English 0400 GMT 12 Jul 82

[Text] Pyongyang, 112 July (KCNA)--The International Jurists Committee for Democracy and Human Rights in South Korea recently made public white paper no 2 on human rights in South Korea, according to a report.

The white paper says:

The South Korean "constitution" of 1980 is aimed at political effect suited to the aim of Chon Tu-hwan and his group. It does never mean that he would set up a democratic society or champion human rights.

The aim of the "laws" hereafter lies in suppressing all "anti-state" activities allegedly to "guarantee national security and freedom of people."

The articles of the "criminal law" of South Korea are repressive ones fully meeting the demands of the "representatives" in political power and "judicial" organs.

If you compared the repression under Pak Chong-hui's dictatorship with that under Chon Tu-hwans, you would find that the aims of the two are almost the same and some methods have developed, these two policies systematically violated democracy and human rights.

The Chon Tu-hwan "regime" is desperately working to silence all dissidents, reducing the "legally granted freedom" to a more formal one than under the preceding "regimes."

Within the framework of so-called "purification" and "campaign against corruption," the dictatorship of Chon Du Hwan removes political adversaries by labelling them as "hooligans, narcotic sellers, smugglers, impostors, profiteers, thieves and habitual gamblers" to impair their honour more easily.

The hideous police machine stretching out its horrible tentacles chiefly commands suppression.

Many other organs perform similar repressive functions, for instance, the "presidential guards force," the "mobile patrol corps" and the "marine police corps" have 55,000 men and are supported by 350,000 assistant policemen.

The "ROK army" 700,000 strong participates in operations for "maintenance of order."

There frequently occur cases of abduction of overseas Koreans.

The white paper points out that in South Korea tortures have become a common practice and brutal tortures sometimes lead to deaths.

The indictments worked out by the South Korean authorities are regarded as final. The lawyers willing to defend political prisoners are made targets of threat and blackmail and are imprisoned in some cases, the white paper notes, and continues:

In a nutshell, the incessant repressive campaigns of the successive "regimes" have proved powerless in squelching discontent manifested in succession by various groups--intellectuals, believers and traditional political dissidents.

The violation of human rights in South Korea is linked to national and international problems involving Korea.

In fact, there exist close relations between the repressive "regime," economy and social non-rights in South Korea and the reunification question.

The violation of human rights is a result of foreign interference in the domestic affairs of the Korean people. This is committed by the Seoul "regime" and fostered by it.

Suppression is a big hurdle in the way of reunification.

The "lawful" documents state in plain words that all the opposition persons and all those who call for reunification cannot be anyone else but "communists."

The dependence of the South Korean economy is another main cause of the violation of human rights.

South Korea is no more than an economic appendix to the United States and Japan and members of the European economic community.

The dictatorial "regime" ensures the stability of western investment. The South Korean economy which has to process foreign things is closely linked with the repressive nature of the political system.

The historic cause of the division of Korea is the policy of war of an imperialist power.

The repressive system of South Korea cannot be justified with the pretext of "threat of southward invasion."

Truth to tell, the repressive steps of the South Korean authorities have been taken each time when difficulties increased within South Korea! To raise an

outcry over "threat from the north" is to justify "foreign assistance" and "veil the repressive policy."

President Kim Il-song said in 1975:

"We have not the least intention of invading the south and have no need to do so. The entire people in North and South Korea do not want war between the north and the south; they are unanimous in their desire to reunify the country by peaceful means, not by arms."

The ~~pre~~pressive "regime" of South Korea is maintained by the results of foreign interference and presence of U.S. forces, the root cause of the division of the Korean nation.

The presence of huge armed forces and nuclear weapons near the military demarcation line may cause a total conflict.

CSO: 4120/338

INTER-KOREAN AFFAIRS

'KCNA' REPORTS MEETING IN JAPAN MARKING 4 JULY ANNIVERSARY

SK100825 Pyongyang KCNA in English 0807 GMT 10 Jul 82

[Text] Tokyo, 8 July (KNS-KCNA)--A Japan-Korea solidarity central meeting marking the 10th anniversary of the publication of the 4 July north-south joint statement was held on 6 July in Tokyo.

The meeting was attended by members of various democratic organisations of Japan and a large number of Japanese people of different circles.

Makoto Ichikawa, representative member of the National Council for Normalisation of Japan-Korea Relations, spoke at the meeting on behalf of sponsors.

Saying that the 4 July north-south joint statement which was published on the three principles of independence, peaceful reunification and great national unity enjoyed the absolute support and approval of the entire Korean people and the world's people. He denounced the South Korean military fascist clique for its unpardonable treacherous and criminal violation of the spirit and idea of the joint statement.

The proposal for founding the Democratic Confederal Republic of Koryo advanced by the great leader President Kim Il-song is a most realistic and reasonable one for national reunification, he said, and stressed: The Japanese people express full support to the proposal.

After a speech of the director of the international department of the Central Standing Committee of the General Association of Korean Residents in Japan who was present at the meeting as a guest, Yoshinori Yasui, chairman of the special committee for measures on Korean affairs of the Japan Socialist Party, delivered a report on the activities of the committee on the Korean question in the Japanese Diet.

Japanese personages of various strata spoke at the meeting.

A resolution was adopted at the meeting.

It demands the immediate withdrawal of the U.S. troops from South Korea and the release of Kim Tae-chung and other democratic figures.

CSO: 4120/338

INTER-KOREAN AFFAIRS

'KCNA' PRO-MINDAN PAPER SUPPORTS UNIFICATION VIA CONFEDERATION

SK090851 Pyongyang KCNA in English 0811 GMT 9 Jul 82

[Text] Pyongyang, 9 July (KCNA)--The 1 July issue of MINJOK SIBO, a newspaper of Korean residents in Japan under the influence of the "ROK Residents Association in Japan" ("Mindan"), dedicated an editorial titled "Let Us Achieve National Unification, Transcending Difference in System" to the 10th anniversary of the publication of the 4 July north-south joint statement.

Citing historical facts, the editorial exposes the splittist machinations stepped up by the U.S. imperialists and their lackeys since the publication of the 4 July north-south joint statement.

Noting that the unification is the nation's greatest task and most urgent problem without whose solution our nation cannot exist, the editorial says:

The unification of the country should be realised on the basis of the three principles of independence, peaceful reunification and great national unity, while attaching the greatest importance to the national idea and transcending the difference in system.

In view of this there is no other way of unification but confederation.

The proposal for establishing a unified national state by instituting a confederation is a most reasonable and realistic one acceptable to everyone.

To achieve the unification of the country, the supreme task of the nation, the splittist forces standing in the way of unification must be overcome.

The basic forces obstructing the unification are outside forces who try to profit from the division of our country.

They regard the unification of our country as a reduction of their sphere of influence. This is why they are trying their hardest to freeze its division.

While repulsing the outside forces, we should destroy the splittist forces within the nation, their agent, the internal splittist forces mean the fascist dictatorial "regime," the liquidation of the dictatorship is prerequisite to the realization of national unification. The editorial calls for valiantly struggling under the uplifted banner of anti-outside forces, anti-dictatorship and anti-war.

CSO: 4120/338

INTER-KOREAN AFFAIRS

BRIEFS

BUDDHIST STUDENTS SENTENCED--Pyongyang, 5 July (KCNA)--The Chon Tu-hwan military fascist clique staged a trial on 2 July at the puppet Seoul District Criminal Court, at which it passed prison terms up to three years upon Kim Ho-song, Choe Yon, Sim Sang-chun and other Buddhist students who had been arrested and indicted on charges of involvement in the so-called "case of attempt to spread the influence of temples all over the land" by invoking the notorious "national security law" and "martial law" according to a report. These young people organised a reading circle two years ago with a Buddhist temple as the centre and avidly read and studied progressive books and called for "reforming society through a popular movement." The puppet clique rigged up the so-called "case of attempt to spread the influence of temples all over the land" in January this year and arrested them. [Text] [SK052240 Pyongyang KCNA in English 1509 GMT 5 Jul 82]

KWANGJU ARSONIST SENTENCED--Pyongyang, 7 July (KCNA)--The South Korean military fascist clique held a fascist trial on 5 July at the puppet Seoul District Criminal Court and passed prison terms of 5 years and six months and one year and six months respectively upon two young people named Chong Sun-chol and Pak Kye-tong, according to a report. Chong Sun-chol boldly set fire to the "American Cultural Centre" in Kwangju and Pak Kye-tong conducted vigorous activity in the demonstration struggle of Koryo University students in Seoul in early 1980. The fascist clique also passed prison terms upon inhabitants named Chong Chong-yol and Kim Pong-chin, whom it had persecuted on charges of offering shelter to these youths. [Text] [SK071018 Pyongyang KCNA in English 1011 GMT 7 Jul 82]

'GUILTY PEOPLE' ROUNDED UP--Pyongyang, 12 July (KCNA)--The puppet Seoul police bureau of South Korea made a "wholesale round-up" in the area south of the Han River on the night of 8 July and persecuted 2,600 guilty people, according to a report. The puppet clique detained 121 of them and penalized 868 others through fascist "summary trials" on charges of "violent offence," "violation of order" and so on. [Text] [SK120900 Pyongyang KCNA in English 0806 GMT 12 Jul 82]

CSO: 4120/338

S.KOREA/POLITICS AND GOVERNMENT

DJP SEEKS EQUAL DISTRIBUTION OF POWER AMONG PARTY OFFICIALS

SK140153 Seoul THE KOREA HERALD in English 14 Jul 82 p 1

[Text] The ruling Democratic Justice Party (DJP) revamped its organization yesterday to ensure an equal distribution of power among the secretary general, floor leader and chief policymaker.

The reorganization package approved by the Central Executive Council is marked by a considerable reduction of the power of the secretary general.

The office of lawmakers and the office of policy coordination which had been under the direct control of the secretary general were placed under the umbrella of the floor leader and the chief policymaker respectively.

The policy research center which had been controlled by the party chairman will be under the command of the chief policymaker.

Explaining the background of the package, spokesman Kim Yong-tae said that the reorganization is designed to guarantee an efficient operation of the party to realize the five founding major ideals--national integrity, democracy, justice, welfare and national unification.

The package, Kim said, will bring efficiency and harmony to policy formulation, floor strategy and personnel management.

Breifing reporters on the contents of the council meeting, he quoted Chairman Yi Chae-hyong as saying the government and the DJP should closely cooperate in working out compensatory measures for the recent series of economic revitalization formula.

Yi also said that it would bring about a great national difficulty, if the economic formula should meet setbacks.

The policy committee will be divided into several teams to map out effective compensatory measures for the economic formula, he said.

CSO: 4120/336

S. KOREA/ECONOMY

'YONHAP' REVIEWS INTERNATIONAL PAYMENTS BALANCE

SK130810 Seoul YONHAP in English 0726 GMT 13 Jul 82

[Text] Seoul, 13 July (YONHAP)--During the first half of this year, South Korea's international payments balance substantially improved but its inducement of foreign capital made a very poor showing, it was learned here Tuesday.

A report released by the Bank of Korea (BOK) said that the country's deficits in current international accounts during the January-June period were 720 million U.S. dollars, 2.02 billion dollars less than a year earlier.

The report showed that deficits in trade balance alone decreased from 1.9 billion dollars in the first six months of 1981 to 730 million dollars during the same period this year.

BOK officials explained that despite the country's poor export performance, the trade balance improved because of the recent price stabilization of international raw materials, including crude oil, and drops in imports caused by the unexpected delay in domestic economy recovery.

Although this year's expenditures by Koreans traveling abroad rose, the deficit in invisible trade balance also declined from 1.04 billion dollars to 210 million dollars in the past year, largely due to the increases in overseas construction contracts concluded in 1981.

Turning to the capital inducement trend during the period, the BOK report showed that a surplus of only 360 million dollars was registered in the long-term capital transaction account during January-June this year, down from 840 million dollars recorded a year before.

The short-term capital balance turned from a surplus of 950 million dollars during the first six months of last year to a deficit of 30 million dollars during the first half of this year because of large declines in short-term trade credits.

BOK officials predicted that both short-term trade credits and long-term capital inducement will remain sluggish in the future because of the recent drops in Korean Bank interest rates announced 28 June.

CSO: 4120/336

S. KOREA/ECONOMY

NEW LAW SOUGHT TO BAN OVERSEAS FLIGHT OF FUNDS

SK090742 Seoul YONHAP in English 0735 GMT 9 Jul 82

[Text] Seoul, July 9 (YONHAP)--The South Korean Government will enact a special law to prevent the overseas flight of funds and personal property caused by the recent changes in economic policy, specifically the four percentage-point cut in bank interest rates and the loss of anonymity in banking transactions.

Deputy Premier-Economic Planning Minister Kim Chun-song said Friday that because domestic bank interest rates are lower than international ones, many people may try to illegally transfer their money and personal property into foreign countries. Kim said government will combat this trend by enacting new legislation.

Speaking to a group of business leaders, the nation's top economic planner also said the government will authorize secondary banking institutions to determine their interest rates autonomously.

He said the July 3 measure banning anonymous bank deposits and credit transactions effective next year is designed to increase tax revenues and distribute wealth in a more equitable manner.

Kim said that despite the "revolutionary" economic measures announced June 28 and July 3, there have been no signs of a massive transfer of funds from banking institutions to real estate or material goods.

Kim also said that because the government has lowered interest rates and corporate taxes to improve the business climate, no further assistance will be offered to financially insolvent firms by the government.

CSO: 4120/336

S. KOREA/ECONOMY

LABOR PRODUCTIVITY INCREASE DROPS

SK130830 Seoul YONHAP in English 0744 GMT 13 Jul 82

[Text] Seoul, 13 July (YONHAP)--South Korea's labor productivity in the first three months of this year increased by 2.2 percent. Far below the 10-percent growth and the 16.4-percent gain in the same three-month periods of 1980 and 1981.

A Korea Productivity Center (KPC) report showed Tuesday that industrial output in the three-month period rose by 5.2 percent, 1.1 percent higher than the 4.1-percent increase registered in the same period last year.

But labor input increased by three percent in the first quarter of this year, compared with a 10.4-percent drop in the corresponding period last year.

The report of the KPC, a research organization dedicated to the monitoring of business activities, explained that this year's low productivity increase was caused by increased employment.

Despite a 5.2-percent increase in labor input, for example, labor productivity of the mining industry dropped by 5.3 percent because of a 0.6-percent decrease in industrial output.

The manufacturing sector registered a 2.4-percent rise in labor productivity during the first quarter of this year, while the electric industry scored a 0.9-percent labor productivity increase.

Meanwhile, miners' nominal monthly wages during the first quarter of this year increased by 17.7 percent. After the adjustment of the 10.5-percent inflation during the same period, miners' wages rose by 6.5 percent in real terms.

Thus, the rise in real wages exceeded that in labor productivity for the first time since 1979, according to the report.

CSO: 4120/336

S. KOREA/ECONOMY

ROK TO FREEZE OIL PRICES AT PRESENT LEVELS BY 1983

SK130152 Seoul YONHAP in English 0142 GMT 13 Jul 82

[Text] Seoul, 13 July (YONHAP)--The South Korean Government is considering a freeze on domestic oil prices at present levels by the end of next year to help stabilize commodity prices, a government source said Tuesday.

The source said the freeze may be necessary to stimulate the Korean economy because the value of the Korean won against the U.S. dollar is continuously decreasing due largely to high U.S. interest rates, threatening the price of crude oil.

The government will either lower the 1.50 dollar-per-barrel surcharge for crude oil storage by 0.30 dollars to 1.20 dollars or withhold the surcharge altogether, according to the source.

At present, there is a total of 763 billion won (1.03 billion U.S. dollars) in the crude oil stockpiling fund, a surplus of 172 billion won over the original government projection of 591 billion won. (One U.S. dollar is worth about 740 won.)

If the government continues to collect the surcharge to realize its plan to accumulate a 60-day supply of crude oil by 1986, the stockpiling fund will reach 340 billion won by the end of 1984, an amount large enough to buffer crude oil price hikes, the source said.

The government is also modifying its plan to impose 0.25 dollar-per-barrel duties on imported liquefied propane gas and bunker C oil effective 1 July. The duties, which will be added to the petroleum business stabilization fund, will be lowered by 0.10 dollars to 0.15 dollars per barrel, the source said.

When the government readjusted domestic oil prices in March, the won-dollar exchange for the whole of this year was expected to rise by only three percent.

As of 22 June, however, the exchange rate had risen 5.6 percent, causing a 87.5 billion won loss to domestic oil refiners.

To recover the loss, oil prices would have to be raised by seven percent immediately. But the source said the government would not take such a step at this time because of the adverse effects on the national economy.

CSO: 4120/336

S. KOREA/ECONOMY

BRIEFS

SHIPBUILDERS SEEK FOREIGN ORDERS--Seoul, 10 July (YONHAP)--South Korea's major shipbuilders are actively seeking foreign orders to offset sluggish business this year. According to the Korea Shipbuilders' Association Saturday, Korea's 12 shipbuilders have received orders for 34 vessels totaling 407,000 tons during the first half of this year. The figure represented only 36 percent of the 1,134,000 tons of orders received during the same period last year. Of the total tonnage, 132,000 tons came from domestic clients, while 275,000 tons were ordered by foreign customers. Korea's unfilled orders as of the end of June stood at 2,296,000 tons or 72 percent of the 3,171,000 ton backlog registered at the end of June 1981. The shipbuilding industry expects to complete the backlog by June 1983. During the first six months of this year, Korea's shipbuilders constructed 768,000 tons worth of ships, including 152,000 tons for domestic use. [Text] [SK100248 Seoul YONHAP in English 0238 GMT 10 Jul 82]

CSO: 4120/336

S. KOREA/SOCIAL CONDITIONS

FIFTH HEARING OF TRIAL OF PUSAN ARSONIST OPENS

SK130036 Seoul THE KOREA TIMES in English 13 Jul 82 p 8

[Text] Pusan (YONHAP)--The defense lawyers questioned Mun Pu-sik, 23, and 12 other defendants, accused of playing parts in the arson at the U.S. Cultural Center in Pusan, in the fifth hearing of the case at the Pusan District Court yesterday.

The lawyers concentrated their questions on the defendants' motivation for the arson and the distribution of antigovernment leaflets, and on the reason why they had held "seminars" "group studies" on ideological matters.

In answer to the defense lawyers, Mun Pu-sik and Miss Kim Un-suk, 24, said that they studied "books circulating among the public" to realize the true situation of society.

They admitted that they had criticized the present situation, but they replied that they had not studied communist or socialist ideologies, adding "we participated in the study of our own and were not forced to join in the seminars."

Mun said that their act of arson at the cultural center was not "for the sake of the arson itself." "It was aimed at expressing to the public our determination and at protesting to America," he said.

He said that they had intended to burn only the porch of the cultural center but the fire resulted in death and injury to people, which he said he felt very much regretted.

Mun claimed that he was a confirmed anti-communist and had never intended to praise or concur with North Korean propaganda, saying that his father and three uncles graduated from the Korea Military Academy and one of them died during the Korean War while fighting against the communists.

On the question what he thought about the Kwangju riot in 1980, Mun replied that he did not have detailed knowledge of the incident due to the cut-off of communication at that time. He believed that Kwangju citizens were victimized while advocating democracy, he said.

"The government's announcement that 189 citizens were killed during the incident implies how miserable the incident was," he said.

Of 16 defendants, Rev Choe Ki-sik of the Catholic Wonju Diocese, his parishioner Mun Kil-hwan and Yi Chang-pok, who was indicted without detention, were not questioned yesterday but others under-went cross-examination by 10 lawyers.

CSO: 4120/336

S. KOREA/SOCIAL CONDITIONS

BRIEFS

KANGWON STUDENTS SENTENCED--Chunchon--The Chunchon District Court yesterday sentenced seven students of Kwangwon National University and one other person to prison terms ranging from one to two years for scattering antigovernment leaflets on the college campus 22 April. Chong Chae-ung, 22, Yi Chae-yong, 22, both economics majors, and Song Min-sok, 22, of Hupyong-dong, Chunchon, were each sentenced to two years in prison with their civil rights suspended for the same period for playing a key role in the distribution of 200 anti-government leaflets at two campus locations on 22 April. The court handed down prison terms of one and a half years each to three other college students from the state-run university after finding them guilty of violating the national security law and the law banning illegal demonstration and assembly. It also passed a one-year prison terms on Hwang Ki-myong, 22, a history major, and Kim Ul-yong, 22, a Korean language major, for playing their part in scattering the seditious leaflets. [Text] [SK130049 Seoul THE KOREA HERALD in English 13 Jul 82 p 8]

CSO: 4120/336

S. KOREA/GEOGRAPHY

RAINFALL EASES S. KOREAN DROUGHT

SK140918 Seoul YONHAP in English 0903 GMT 14 Jul 82

[Text] Seoul, 14 July (YONHAP)--Long-awaited rain fell in some parts of Korea Tuesday and Wednesday, relieving drought conditions in Cheju Island and the Cholla Province.

The Central Meteorological Office (CMO) said Wednesday that the Cholla Provinces were completely appeased from drought by the downfall on Tuesday and Wednesday morning, Korea's major agricultural area, the Honam plain, is located in the Cholla Provinces.

As of 1100 a.m. Wednesday, 110mm of rain had soaked Wando, South Cholla Province, the highest recorded level in the province, Soonchang County in north Cholla Province had received 114mm by 1100 a.m. Wednesday.

There was also substantial rain in the western part of south Kyongsang Province, but little rain in north Kyongsang Province.

The CMO forecast 30 to 80mm of rain in the southern provinces Wednesday but said there could be considerable regional differences in precipitation.

Possible rainshowers were forecast for most of the central areas of the Korean Peninsula Wednesday.

Occasional rainshowers were also predicted for most of Korea on Thursday, Sunday and Monday because of humid low pressure moving in from the mainland.

Weathermen said that no large torrential rains are likely this summer in Korea although downpours can be expected in most areas from time to time.

Meanwhile, the agriculture-fisheries ministry said that the drought, the worst in Korea's history, was almost over except in some areas of north Kyongsang Province. It said rice transplantation is expected to be completed by Thursday.

CSO: 4120/336

S. KOREA/ FOREIGN RELATIONS

ROK DAILY APPRAISES YI-SAKURAUCHI LOAN TALKS

SK070118 Seoul THE KOREA HERALD in English 7 Jul 82 pp 1, 2

[By Choe Nam-hyon]

[Text] Minister of Foreign Affairs Yi Pom-sok, now in Tokyo, and his Japanese counterpart Yoshiro Sakurauchi have reportedly "agreed on an early settlement of the economic cooperation issue," an often repeated diplomatic phrase heard since the negotiations began more than a year ago over the Korean request for a \$6 billion loan from Japan.

A peculiarity is found in the announcement, made June 30, that Minister Yi would make an "unofficial visit to Japan at the invitation of Japanese Foreign Minister Sakurauchi" on July 5-6. The explanation is inexplicable that his visit was made unofficial to reduce formalities at the request of the Korean Government.

Minister Yi offered a new proposal, reportedly setting loan package total at \$4 billion of which \$2.3 billion is in a soft ODA (official development assistance) loan and \$1.7 billion in commodity credits, on June 22 to the Japanese Government through AMB, Toshikazu Maeda.

There was a sharp turn from the previous insistence on \$6 billion from the ODA fund.

At the end of April, Japanese Deputy Foreign Minister Kensuke Yanagiya came to Korea with a proposal, which he allegedly proclaimed the "final" one, to offer \$1.5 billion in an ODA loan and \$2.5 billion in Japanese export-import credits, totaling \$4 billion. The amount the Japanese were willing to offer was disclosed for the first time.

The Yi-Sakurauchi meeting seems to have failed to produce a substantive outcome in the prolonged negotiations, which underlines the difficulty of improving the relations between the countries.

However, Korea and Japan have begun to narrow their differences over the long-pending issue with the Japanese willingness to consider adding commodity credits.

The two sides agreed to continue discussions on the request for commodity credits at working-level consultations.

More important than this modicum of success is that Minister Yi exchanged "frank views" on the economic cooperation issue with Sakurauchi. The first meeting between the two foreign ministers, following the appointment of Yi as Korea's top diplomat on June 2, has succeeded in keeping the channels of negotiations open.

Although it has not been made public, the two sides seem to have no disagreement on the loan amount, totaling \$4 billion.

Minister Yi made a hard decision to make "concessions" with regard to the amount and interest rates last month, saying his concessions must be reciprocated commensurately by the Japanese Government.

He said that "the package of fruits we requested should contain the kinds we would like to eat," alluding he would not mind whether the commodity credit portion of the loan package comes from the ODA fund or the export-import bank if the Japanese Government should provide it.

The Japanese Government has not made any commitment to the Korean request for an increase in the ODA portion and a commodity credit offer, further prolonging the conclusion of the loan deal.

With little disagreement on the amount, the sources said, the remaining problem is whether the Tokyo Government will make a political decision to provide export-import bank loans in untied commodity credits.

In spite of Sakurauchi's avowed willingness to visit Korea as early as possible, the prospects for an early settlement of the pending issue are not so bright in view of the way things stand now.

With regard to the two countries' extraordinary relations in history, culture and geography, the economic cooperation issue should be settled in one way or another at an early date.

Minister Yi and the Japanese foreign minister also exchanged views on the tensions existing on the Korean Peninsula. This seems to have helped the Japanese to appreciate efforts being rendered by the Republic of Korea to maintain security in northeast Asia.

CSO: 4120/336

S. KOREA/FOREIGN RELATIONS

BUSINESS LEADERS DISCUSS ECONOMIC TIES WITH AFRICA

SK130039 Seoul THE KOREA HERALD in English 13 Jul 82 p 3

[Text] The seminar on Korea's advancement into Africa, organized by the Federation of Korean Industries (FKI), was held yesterday with research specialists discussing African economy, its politics and the nation's future economic co-operation with the region.

The seminar, timed with the forthcoming tour by President Chon Tu-hwan of four African countries, was cosponsored by the African Research Institute, annexed to Hankuk University of Foreign Studies. The president is scheduled to embark on his 15-day tour of Africa and Canada on August 17, which will take him to Kenya, Nigeria, Gabon and Senegal.

Some 150 local businessmen were present at the panel debate, designed to provide a broad range of information on the African area. Also on hand were Deputy Prime Minister and Minister of Economic Planning Kim Chun-song and FKI Chairman Chong Chu-yong.

In his congratulatory remarks, the deputy prime minister said, "The (African) region gains an importance, both political and economic, as Korea pursues an outward-looking strategy."

Africa has boundless potential in various aspects but Korea's relationship with that part of the world has been anything but close, he pointed out.

Kim reminded that Africa, endowed with more than 90 percent of the world's proven deposits of diamond, platinum and chrome and huge deposits of other mineral resources, poses limitless possibility for the future economic cooperation with Korea.

He also said that the area, still in its early stage of development, is important to Korea in the aspect of expanding the nation's export markets. So in his opinion, the best policy is to approach the continent on the basis of mutual advantage and upgrade the relationship to a formal diplomatic level.

Saying that the president's trip will put the Korea-Africa cooperative relation on the right track, Kim mentioned that the government will also lend positive support to local industries' advancement into the region.

Noting that the African continent forms the mainstream of the third-world movement, the FKI chairman, meanwhile, said that in the post-Middle East period, he expects much from local industries' advancement into the region.

CSO: 4120/336

S. KOREA/FOREIGN RELATIONS

BRIEFS

FKI HEAD MEETS MALAYSIAN ENVOY--Seoul, 14 July (YONHAP)--Malaysia is pushing ahead with its "look East" policy, which emphasizes economic cooperation with South Korea and Japan, a Malaysian envoy said Tuesday. Malaysian Ambassador to Korea Abdul Majid Bin Mohamed made the remarks when he called on President Chong Chu-hong of the Federation of Korean Industries (FKI). "We cannot afford to delay our industrial development plans any further. We are eager to bring in Korea's development experience and entrepreneurship," said Mohamed, who recently assumed his Seoul post replacing Noor Adlam Bin Yahayauddin. Chong said he is optimistic about the future of Korea-Malaysia cooperation, and expressed satisfaction with its present status as well. South Korea exported 184 million U.S. dollars worth of commodities to Malaysia in 1980, while importing 472 million dollars worth from the southeast Asian country, recording a 298 million dollar deficit for Seoul. South Korea currently exports iron and steel products, machinery, textile goods, transportation equipment and electric and electronics products to Malaysia, while importing lumber, natural rubber, palm oil and crude oil. [Text] [SK140225 Seoul YONHAP in English 0203 GMT 14 Jul 82]

CSO: 4120/336

END